

BEFORE THE TENNESSE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

September 23, 1999

IN RE:

**APPLICATION OF PRIMUS TELECOMMUNICATION,)
INC. AND TRESKOM U.S.A., INC. FOR APPROVAL OF) DOCKET NO. 99-00150
A PRO FORMA INTERNAL REORGANIZATION)**

ORDER APPROVING PRO FORMA INTERNAL REORGANIZATION

This matter came before the Tennessee Regulatory Authority ("Authority"), pursuant to Tenn. Code Ann. § 65-4-112, a decision on the Application of Primus Telecommunications, Inc. ("Primus") and TresCom U.S.A., Inc. ("TresCom") (collectively "Applicants") for approval of a pro forma internal reorganization (the "Reorganization"). The Authority considered this matter at a regularly scheduled Authority Conference held on April 6, 1999.

From the Application and the record existing in this matter, the Authority has determined the following:

1. Primus is a Delaware corporation with principal business office located at 1700 Old Meadow Road, Third Floor, McLean, Virginia 22102. Primus is wholly owned by Primus Telecommunications Group, Incorporated ("PTGI"), a Delaware holding company. On February 29, 1996, the Authority granted Primus authority to provide operator services and resell interexchange telecommunications services in Tennessee in Case No. 95-03981.

2. TresCom is a Florida corporation headquartered in Fort Lauderdale, Florida. TresCom is wholly-owned by TresCom International, Inc., a Florida holding company.

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TresCom International, Inc., in turn, is wholly owned by PTGI. The Authority granted TresCom authority to provide operator services and resell interexchange telecommunications services pursuant to certification on April 26, 1996 in Case No. 96-00570.

3. Applicants state that through the proposed Reorganization, TresCom will merge with and into Primus. Following the merger, TresCom will cease to exist, and Primus will assume TresCom's operations and will provide continuous, high quality telecommunications services to TresCom customers. Customer notification of the Reorganization will be provided to TresCom's customers prior to consummation of the transaction.

4. Applicants state that, for internal corporate reasons, Primus and TresCom have determined that the proposed Reorganization will improve the operational efficiency of the Primus companies. The consolidation of the Applicants' technical and managerial resources will enable Primus to attract additional financing, reduce its operating expenses, and realize operational and management efficiencies and other corporate benefits that ultimately will inure to the benefit of both Primus's and TresCom's existing customers.

5. Applicants state that the proposed Reorganization will not result in a change in the services, operations or service quality provided to TresCom's customers. In addition, upon consummation of the Reorganization, Primus will maintain a tariff that duplicates the service offerings, rates, terms and conditions as filed in the current tariff of TresCom. Thus the former customers of TresCom will continue to receive the same services that they presently receive at the same tariff rates.

CRITERIA FOR APPROVING TRANSFER

A pro forma internal reorganization under Tenn. Code Ann. § 65-4-112 cannot occur until the regulated public utility first obtains approval of such transaction by the Authority.

Before approving such a transaction, the Authority must be satisfied that: (1) this is a suitable transaction; (2) that the parties have the financial responsibility and capability to efficiently perform the utility services being transferred; and (3) that there is benefit to the consuming public.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

After consideration of the entire record in this matter, including the Application, the Authority finds and concludes as follows:

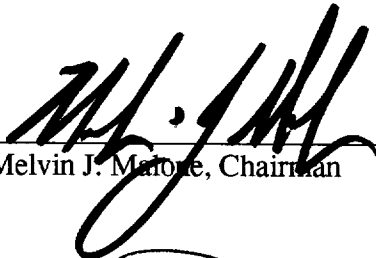
1. The Authority has jurisdiction over the subject matter of said application pursuant to Tenn. Code. Ann. § 65-4-112;
2. Primus, an experienced and duly certificated telecommunications carrier, has been engaged in the business of providing interexchange telecommunications services in Tennessee since 1996.
3. Through the transaction, TresCom will merge with and into Primus. Following the merger, TresCom will cease to exist, and Primus will assume TresCom's operations and will provide telecommunications services to TresCom customers.
4. Based upon the foregoing conclusions, the transaction is compatible with the public interest.

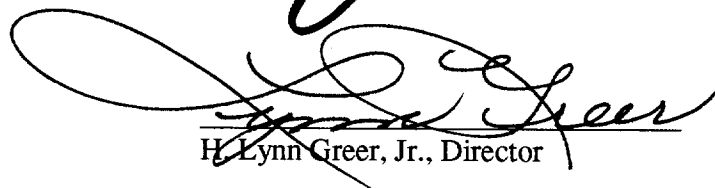
IT IS THEREFORE ORDERED THAT:

1. The Application requesting approval of the pro forma internal reorganization is approved.
2. Primus is authorized to provide operator services and resold interexchange telecommunications services in Tennessee.

3. TresCom is no longer permitted to provide operator services and resold interexchange telecommunications services in Tennessee.

4. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.




Melvin J. Malone, Chairman

H. Lynn Greer, Jr., Director

Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary